

TRACT 36840 - Lafourche Parish, Louisiana

A certain Tract of land, excluding the beds and bottoms of all navigable waters, belonging to and not presently under mineral lease from Lafourche Parish School Board on October 13, 2004, being more fully described as follows: All of Section 16, Township 17 South Range 22 East, Lafourche Parish, Louisiana, containing approximately 640.00 acres, as shown outlined in red on the attached plat. All bearing, distances and Coordinates, if applicable, are based on the Louisiana Coordinate System of 1927, (South Zone). Background Imagery (98 DOQQ) Lafourche Ph. La. Sec. 16, T 17 South R 22 East Approx. **640.00 acres**, all as more particularly outlined on a plat on file in the Office of Mineral Resources, Department of Natural Resources. The description is based on information provided by the State Agency regarding location and ownership of surface and mineral rights. All bearings, distances and coordinates, if applicable, are based on Louisiana Coordinate System of 1927, (North or South Zone).

NOTE: The above description of the Tract nominated for lease has been provided and corrected, where required, exclusively by the nomination party. Any mineral lease selected from this Tract and awarded by the Louisiana State Mineral Board shall be without warranty of any kind, either express, implied, or statutory, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose. Should the mineral lease awarded by the Louisiana State Mineral Board be subsequently modified, cancelled or abrogated due to the existence of conflicting leases, operating agreements, private claims or other future obligations or conditions which may affect all or any portion of the leased Tract, it shall not relieve the Lessee of the obligation to pay any bonus due thereon to the Louisiana State Mineral Board, nor shall the Louisiana State Mineral Board be obligated to refund any consideration paid by the Lessor prior to such modification, cancellation, or abrogation, including, but not limited to, bonuses, rentals and royalties.

NOTE: Lessor will accept not less than one-fourth royalties on all minerals.

NOTE: Lessor will require all royalties to be paid on "current market value" for all hydrocarbons.

NOTE: The Lessee shall conduct its operations in such a manner as to reasonably minimize any interference with or disruption of Lessor's use of the surface of the leased property or its use by Lessor's Lessees of hunting, trapping, and/or pasturage rights.

NOTE: The State of Louisiana does hereby reserve, and this lease shall be subject to, the imprescriptible right of surface use in the nature of a servitude in favor of the Department of Natural Resources, including its Offices and Commissions, for the sole purpose of implementing, constructing, servicing and maintaining approved coastal zone management and/or restoration projects. Utilization of any and all rights derived

under this lease by the mineral lessee, its agents, successors or assigns, shall not interfere with nor hinder the reasonable surface use by the Department of Natural Resources, its Offices or Commissions, as herein above reserved.

Applicant: Jil Exploration, Inc. to Agency and by Resolution from the Lafourche Parish School Board authorizing the Mineral Board to act in its behalf

Bidder	Cash Payment	Price/ Acre	Rental	Oil	Gas	Other

